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# HELPING BLACK CHURCHES HEAL CITIES

## Grant makers, once reluctant to support congregations, have begun building their capacity to save blighted neighborhoods

By KRISTIN A. GOSS

WHEN LOS ANGELES ERUPTED in riots last spring, members of the First African Methodist Episcopal Church, along with its activist pastor, the Rev. Cecil Murray, quickly hit the streets to calm rioters, distribute relief assistance, and lead the crusade for community healing. Identified by civic leaders as the most effective spiritual and social institutions in the strife-torn area, the black church and its social-services arm were flooded with $800,000 in contributions from individuals, foundations, and corporations—many of which had never supported a church before.

The episode dramatized what many black pastors and a small contingent of grant makers had been arguing for years: that the black church—with its wealth, community clout, and tradition of social activism—was the logical, if largely unrecognized, starting point for any effective strategy to arrest poverty and revitalize urban areas.

And although grant makers have mostly ignored the nation's estimated 65,000 black churches as potential partners or grant recipients, a growing number of foundations have begun to end the estrangement.

The churches themselves are eager for assistance. More and more, they are forging broad, interdenominational coalitions to improve life in the inner cities, just as they came together in the 1950's and 1960's to fight for civil rights.

The scale of their community-development and social-service efforts is unprecedented, say observers. Those efforts require legal, financial, and other technical skills that members of the clergy historically have lacked, and prominent black pastors are urging more foundations to finance training programs that would help build the church's capacity to meet increased demands. (See stories on Page 18.)

But if organized philanthropy is to work more closely with religious institutions, leaders in both quarters agree, a big obstacle stands in the way: Foundations and black churches are very different institutions, with very different styles of operating. Each may have built-in suspicions—some would say prejudice—against the other, and it will take time to break down cultural divides, observers argue.

"We don't understand each other. We don't speak the same language. And we have not seen a need to come together," says the Rev. Alicia Byrd, project director at the Congress of National Black Churches, a national coalition of seven black denominations.

### Churches' 2 Main Allies

Black churches have two powerful allies in the foundation world: the $3.8-billion Lilly Endowment in Indianapolis and the $6.6-billion Ford Foundation in New York, both of which make grants to study the social role of black churches and to enhance their capacity to deliver services. Lilly has given $25-million since beginning its black-church program in 1975, and Ford has given $12.7-million since its program began in 1983. Together, the foundations put

*Continued on Page 16*

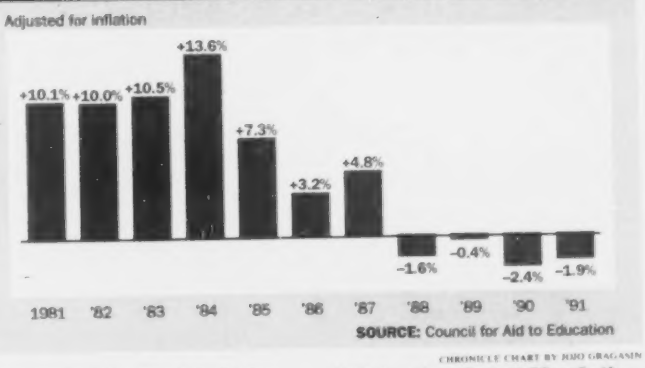
DON HOGEBOOM FOR THE CHRONICLE

**The Rev. Gary V. Simpson, pastor of Brooklyn's Concord Baptist Church of Christ: "The only way the cities are going to get better is if the churches say, We're going to stay and do it." See story on Page 16.**


| | |
|---|---|
| Books | 30 |
| Coming Events | 43-49 |
| Deadlines | 49 |
| Directory of Services | 45-47 |
| The Face of Philanthropy | 4-5 |
| Foundation Annual Reports | 22 |
| Fund Raising | 31-32 |
| Giving | 6-27 |
| Grants | 21-27 |
| Ideas & Resources | 28-30 |
| Letters & Opinion | 40-42 |
| Managing | 33-39 |
| My View | 40-41 |
| News in Brief | 20, 32, 36 |
| People | 37 |
| Professional Opportunities | 50-55 |

**A complete guide to this issue appears on Page 3.**


**Annual Changes in Corporate Giving**




CHRONICLE CHART BY JOJO GRAGASIN

**Company Gifts Trail Inflation**

Charitable giving by corporations failed to keep pace with inflation for the fourth straight year (*see chart above*), according to the Council for Aid to Education. Story on Page 8.

**A Balancing Act at MacArthur**

Adele Simmons, president of the John D. and Catherine T. MacArthur Foundation, must deal with an increase in applications and a stagnant endowment. Story on Page 6.

# Corporate Giving Trailed Inflation in 1991

Corporate giving in 1991 failed to keep pace with inflation for the fourth year in a row, according to estimates released last week by the Council for Aid to Education.

Corporate donations to all charitable causes inched up 2 per cent to $6-billion in 1991, according to the council. That amounted to a 1.9-per-cent drop in giving after adjusting for inflation, the council said.

Since 1987, corporate donations have dropped by roughly 10 per cent, or an average of 2.4 per cent a year, in inflation-adjusted dollars.

Hayden W. Smith, an economist at Yale University's Program on Non-Profit Organizations, said that "companies are telling us that they are in no position to take on new gift commitments this year." But he predicted that corporate giving might well increase above inflation 1993, because corporate earnings for the first two quarters of 1992 have been "surprisingly strong."

Mr. Smith, who retired as the council's senior vice-president in 1990, said that a 6-per-cent drop in corporate earnings in 1991 was the primary reason corporate giving did not increase.

He noted that company foundations have played an important role in stabilizing giving during the recession. Although companies have been putting much less money than usual into their foundations during the economic downturn, those foundations have compensated by dipping into their endowments, he said. Since 1988, company foundations have awarded $1.6-billion more in grants to non-profits than they have taken in from their parent corporations, the council's report said.

If the $6-billion giving figure for 1991 sounds familiar, that's because the council also estimated that company giving in 1990 was $6-billion. Now the council says the 1990 estimate was too high; companies gave $5.86-billion in 1990.

### New IRS Data

The revised figure is based on new Internal Revenue Service data, which the council uses to help calculate its giving estimates. In the most recent information available from the IRS, companies reported that they gave $4.9-billion in 1989, a full $200-million less than the $5.1-million projected by the council last year. That adjustment caused revisions in the council's giving estimates for 1990 and 1991.

The council's estimates for total corporate giving in 1991 are also based on responses of 410 major companies to an annual survey of conducted by the CFAE and the Conference Board and other surveys.

The distribution of corporate grant dollars changed very little. Education once again captured the largest share, receiving $782.9-billion, or almost 40 per cent. Elementary and secondary schools got the biggest increase: $316-million, or 14 per cent of gifts all to education, up from 10 per cent in 1990.

A separate report on corporate contributions by the Taft Group showed that International Business Machines Corporation, for many years America's top corporate donor, dropped its giving substantially. IBM gave $134-million in 1991, down from $148-million the year before. That was still far more than the amount given by any other corporation in 1991. Giving by three other top corporate donors also dropped: The Ford Motor Company gave $35.5-million, down from $44-million in 1990; Digital Equipment Corporation gave $31-million, down from $37-million; and Procter & Gamble Company gave $32-million, down from $36-million.

On the other hand, giving by some of America's most profitable companies soared in 1991, the Taft report said. Philip Morris's giving jumped to $71.5-million, up from $46.3-million; Merck & Company gave $53.6-million, up from $28.4-million; and the Gannett Company gave $36.6-million, up from an estimated $26.3-million in 1990.

Copies of "Corporate Support of Education, 1991" will be available in late October for $10 each, prepaid, from the Council for Aid to Education, 51 Madison Avenue, Suite 2200, New York 10010.

Copies of the 1993 edition of the *Corporate Giving Directory* can be ordered for $327 by calling Taft at (800) 877-8238.

—ANNE LOWREY BAILEY

## Top Company Givers

(dollar figures in millions)

| | 1990 | 1991 | Percentage change |
|---|---|---|---|
| IBM | $148.0 | $134.4 | - 9.2 |
| Philip Morris | 46.3 | 71.5 | + 54.4 |
| Hewlett-Packard | 76.5 | 71.0 | - 7.2 |
| General Motors | 65.5 | 61.0 | - 6.9 |
| Exxon | 54.8 | 59.2 | + 8.0 |
| AT&T | 56.0 | 59.1 | + 5.5 |
| General Electric | 48.4 | 59.0 | + 21.9 |
| Merck | 28.4 | 53.6 | + 88.4 |
| Johnson & Johnson | 41.1 | 48.5 | + 18.0 |
| Gannett | 26.3 | 36.6 | + 39.2 |

**SOURCE:** The Taft Group

## Corporate Philanthropy in 1991

| | Contributions to all causes | | | Contributions to education | | | Percentage distribution | | |
|---|---|---|---|---|---|---|---|---|---|
| Year | Reported to IRS[1] | Estimated total contribution | Percentage of pre-tax net income | Total | Percentage of pre-tax net income | Percentage of total contribution | Higher education | Pre-college education | Education-related organizations |
| 1981 | $2,514,000,000 | $2,668,000,000 | 1.17% | $1,014,000,000 | 0.44% | 38% | 69% | 4% | 27% |
| 1982 | 2,906,000,000 | 3,188,000,000 | 1.81 | 1,243,000,000 | 0.71 | 39 | 69 | 4 | 27 |
| 1983 | 3,627,000,000 | 3,674,000,000 | 1.74 | 1,396,000,000 | 0.66 | 38 | 70 | 5 | 25 |
| 1984 | 4,057,000,000 | 4,325,000,000 | 1.80 | 1,643,000,000 | 0.68 | 38 | 71 | 5 | 24 |
| 1985 | 4,472,000,000 | 4,819,000,000 | 2.14 | 1,880,000,000 | 0.84 | 39 | 72 | 6 | 22 |
| 1986 | 5,180,000,000 | 5,119,000,000 | 2.35 | 2,048,000,000 | 0.94 | 40 | 72 | 6 | 22 |
| 1987 | 4,980,000,000 | 5,490,000,000 | 1.91 | 2,141,000,000 | 0.74 | 39 | 72 | 7 | 21 |
| 1988[2] | 4,893,000,000 | 5,625,000,000 | 1.62 | 2,194,000,000 | 0.63 | 39 | 72 | 9 | 19 |
| 1989[2] | 4,893,000,000 | 5,764,000,000 | 1.68 | 2,306,000,000 | 0.67 | 40 | 72 | 10 | 18 |
| 1990[2] | 4,950,000,000 | 5,868,000,000 | 1.65 | 2,347,000,000 | 0.66 | 40 | 72 | 11 | 17 |
| 1991 | 5,200,000,000 | 6,000,000,000 | 1.79 | 2,432,000,000 | 0.73 | 40 | 70 | 13 | 17 |

[1] Estimates by Council for Aid to Education [2] Some figures for year revised from 1990 report

### Where Corporate Contributions Go

(dollar figures in millions)

| | 1987 325 companies | | 1988 356 companies | | 1989 333 companies | | 1990 339 companies | | 1991 410 companies | |
|---|---|---|---|---|---|---|---|---|---|---|
| Education | $610.1 | 36.8% | $615.1 | 38.2% | $705.3 | 41.3% | $773.4 | 41.0% | $782.9 | 39.6% |
| Health and human services | 450.5 | 27.2 | 480.9 | 29.9 | 480.2 | 28.1 | 569.7 | 30.2 | 607.6 | 30.7 |
| Civic and community activities | 236.1 | 14.2 | 212.7 | 13.2 | 255.7 | 15.0 | 248.2 | 13.1 | 253.3 | 12.8 |
| Culture and art | 178.6 | 10.8 | 183.7 | 11.4 | 203.1 | 11.9 | 238.2 | 12.6 | 265.3 | 13.4 |
| Other | 182.9 | 11.0 | 116.1 | 7.2 | 64.0 | 3.7 | 58.4 | 3.1 | 67.1 | 3.4 |
| **Total allocated** | **1,658.2** | | **1,608.4** | | **1,708.3** | | **1,887.9** | | **1,976.2** | |
| **Unallocated** | **0** | | **37.3** | | **111.8** | | **203.7** | | **272.5** | |
| **Grand total** | **$1,658.2** | | **$1,645.7** | | **$1,820.1** | | **$2,091.6** | | **$2,248.7** | |

Notes: Totals may not add due to rounding. A single $90-million property gift to Other inflates Other's Percentage of Grand Total in 1987.

### Corporate Support of Education by Purpose

| | 1991 405 companies | |
|---|---|---|
| | Amount | % of total |
| **Colleges and universities** | | |
| Unrestricted operating, capital, departmental, research, student-aid grants, and grants via consortia | $334,444,000 | 51.7% |
| Matching gifts* | 124,465,000 | 19.2 |
| Total colleges and universities | 458,909,000 | 70.9 |
| **Pre-college education** | | |
| Public and private school support and other | 84,040,000 | 13.0 |
| Matching gifts* | 8,740,000 | 1.4 |
| Total pre-college education | 92,781,000 | 14.3 |
| **Other educational programs** | | |
| Education-related organizations | 56,298,000 | 8.7 |
| Scholarships and fellowships | 39,100,000 | 6.0 |
| Total other educational programs | 95,398,000 | 14.7 |
| **Total allocated** | **$647,088,000** | |
| **Total unallocated** | **$135,813,000** | |
| **Grand total** | **$782,901,000** | |

* Estimates based on Council matching gift surveys

### What Companies Give

#### Total Contributions

(dollar figures in millions)

| | 1990 | | 1991 | |
|---|---|---|---|---|
| | Amount | % of total | Amount | % of total |
| Cash | $1,830.7 | 88.5% | $1,869.1 | 83.8% |
| Securities | 0.3 | 0.0 | 6.8 | 0.3 |
| Company products | 186.8 | 9.0 | 310.4 | 13.9 |
| Other property | 51.7 | 2.5 | 45.0 | 2.0 |

#### Contributions to Education

(dollar figures in millions)

| | 1990 | | 1991 | |
|---|---|---|---|---|
| | Amount | % of total | Amount | % of total |
| Cash | $667.7 | 86.9% | $674.0 | 87.1% |
| Securities | 0.1 | 0.0 | 4.6 | 0.6 |
| Company products | 67.7 | 8.8 | 88.0 | 11.4 |
| Other property | 33.0 | 4.3 | 7.1 | 0.9 |

**SOURCE:** Council for Aid to Education

# FUND RAISING

Trends and Ideas

## A $200-Million Drive to Help Cities

### Group seeks private funds for low-cost housing, economic development, and other projects to revitalize urban areas

By ANNE LOWREY BAILEY

THE Local Initiatives Support Corporation last week announced a drive to raise $200-million in private donations to revitalize inner-city neighborhoods.

The campaign is one of the most ambitious private fund-raising efforts undertaken to date on behalf of low-cost housing.

Some of the donors who contributed to the campaign before it was publicly announced say that the drive has taken on added urgency because of concerns raised about conditions in America's inner cities in the wake of the riots in Los Angeles last spring.

The Pew Charitable Trusts, for example, recently gave $2-million to LISC, a national group that both awards grants and acts as investment banker to a growing number of community-development corporations—neighborhood groups that work to revitalize their home communities.

LISC helps those corporations put together complex financial deals, which often benefit from government subsidies, to build low-cost housing, commercial real estate, and other projects designed to revitalize blighted inner-city neighborhoods in 30 cities around the country.

#### Created by the Ford Foundation

"In the wake of the L.A. riots, I am concerned that, in the search for new solutions to the urban crisis, we not overlook the community-development corporations and organizations like LISC who are already out there and have been working at the problem for years," said Michael Rubinger, Pew's associate executive director.

The Ford Foundation created LISC in 1979 and has made the group a centerpiece of its efforts to eradicate urban poverty in America. Ford has invested about $60-million in LISC to date. After the federal government began setting aside low-cost-housing tax credits for such groups in 1986, LISC took off. This year the group expects to make more than $250-million in grants, low-interest loans, and equity financing for inner-city revitalization projects, up from $6.5-million in 1985. That money has helped to finance 40,000 units of housing for over 1.3 million people.

BRIDGEPORT NEIGHBORHOOD FUND INC.

**The Local Initiatives Support Corporation helps start groups like the Bridgeport, Conn., Neighborhood Fund, which financed the renovation of this house.**

Other organizations involved in low-cost housing are engaged in much less ambitious campaigns than the one announced by LISC last week. In 1989, the Enterprise Foundation, another national low-cost-housing group founded by the developer James Rouse, began a $50-million drive that has raised $33-million so far.

#### $108-Million Already Pledged

LISC announced its campaign with $108-million pledged. Ninety-four per cent of that money has come from corporations and foundations, rather than individual donors. The money is to be used for five main purposes:

- Expansion of LISC's permanent capital fund, so that the organization can lend more money for low-cost housing.
- Creation of a new commercial equity fund that can be used to finance retail projects, such as supermarkets, that experts say are often absent from low-income neighborhoods.
- Training and technical assistance for local community-development groups.
- Advocacy efforts aimed at persuading federal, state, and local governments to do more to encourage the development of low-cost housing and revitalize poor areas.
- General operating support for LISC.

Officials of LISC said that when they were planning the campaign last year they were worried about starting such a large drive in the middle of a recession. But after the Los Angeles riots, many donors had a heightened sense of crisis in the inner city, and fund raising for the campaign picked up speed, according to Patricia Foley, LISC's senior vice-president for external affairs.

## University of Michigan Joins Ranks of Institutions Seeking $1-Billion

By VINCE STEHLE

THE UNIVERSITY OF MICHIGAN has announced a five-year, $1-billion capital campaign, the biggest fund-raising effort ever undertaken by a public university. So far, Michigan has raised nearly $350-million toward its goal.

Although Michigan is the first public institution to seek $1-billion, several private universities are also trying to raise that much. Stanford University this year became the first institution to raise more than $1-billion: It brought in $1.25-billion in a five-year campaign.

The Michigan drive is far more ambitious than any of the institution's previous campaigns. Its most recent campaign, completed in 1987, brought in $187-million. The goal for the current drive is more than twice as large as the biggest campaign ever completed by a public university, an Ohio State University campaign that raised $460-million before it ended in 1990.

#### Criticism of Big Campaigns

Fund raisers say that it is difficult to compare capital campaigns, since institutions use a variety of methods to count how much they have raised. At Michigan, planners hope to get $850-million in cash and pledges and $150-million through promised bequests. To date, the university has raised $292-million in cash and pledges and more than $50-million in bequest pledges. Many institutions do not include bequest pledges in campaign totals because it is uncertain when—and if—such pledges will be fulfilled.

The campaign announcement comes at a time when several prominent fund raisers have called for an end to mammoth fund-raising drives. The president of the Council for Advancement and Support of Education, Peter McE. Buchanan, warned in a speech at the council's annual meeting in July that large campaigns can be misleading and alienating, especially when institutions raising large sums of money face financial hardship. He said that students, faculty members, and donors could

*Continued on Page 32*

### Status of Billion-Dollar Campaigns

**Status and recent results of drives for endowments and capital improvements**

| | Started or announced | To conclude | Goal | Amount raised |
|---|---|---|---|---|
| Yale U. (Conn.) | May 1992 | 1997 | $1,500,000,000 | $618,000,000 |
| Cornell U. (N.Y.) | Oct. 1990 | Dec. 1995 | 1,250,000,000 | 705,000,000 |
| United Jewish Appeal–Federation of Jewish Philanthropies of New York City | Oct. 1989 | Dec. 1994 | 1,200,000,000 | 708,000,000 |
| Columbia U. (N.Y.) | Sept. 1990 | Dec. 1995 | 1,150,000,000 | 605,928,632 |
| Stanford U. (Cal.)* | Feb. 1987 | Feb. 1992 | 1,100,000,000 | 1,255,000,000 |
| New York U. | Sept. 1984 | Jan. 2000 | 1,000,000,000 | 751,600,000 |
| U. of Pennsylvania | Oct. 1989 | Oct. 1994 | 1,000,000,000 | 846,939,388 |
| U. of Michigan | Sept. 1992 | June 1997 | 1,000,000,000 | 292,279,468 |

* Campaign completed

# U. of Michigan Announces Drive to Raise $1-Billion in 5 Years

*Continued from Page 31*

be confused and angry when universities have to cut costs to avoid deficits at the same time they announce they have raised big amounts.

"The large amount of money that we announce has been raised at the end of the campaign often doesn't square with reality," said Mr. Buchanan.

But a Michigan official said that "mega-campaigns" are here to stay.

"I don't think they are over at all," said M. Joseph Roberson, executive director of the university's campaign. "To the contrary, I think it's going to be an escalating game. Like it or not, large campaigns help to put a focus on fund raising, and that is very important."

### Plans to Tap Alumni

Michigan officials said that the university has had to pursue private funds more aggressively because government support for higher education has not kept pace with rising costs. "We're really kind of young in the fund-raising business," observed Mr. Roberson. "We have a huge alumni network that we haven't tapped before."

Currently, six other institutions, including five universities and a major Jewish federation, are attempting to raise $1-billion or more.

### Other Public Campaigns

Harvard University is planning a campaign many fund raisers believe will exceed $2-billion, but university officials say the fund-raising drive has been delayed until the 1993-94 academic year.

Other public institutions are expected to announce large campaigns as well, including the University of California at Berkeley and the University of Illinois. Officials at both universities said that, while their forthcoming campaigns could exceed $1-billion, no goals have been set yet.

## Campaign Update

**Status and recent results of drives for endowments and capital improvements**

| | Started or announced | To conclude | Goal | Amount raised |
|---|---|---|---|---|
| Alpena Community College (Mich.) | March 1991 | Sept. 1992 | $1,500,000 | $1,500,000 |
| Barton College (N.C.) | Sept. 1992 | Sept. 1997 | 10,000,000 | 4,000,000 |
| Case Western Reserve U. (Ohio) | Fall 1989 | Fall 1994 | 350,000,000 | 276,900,000 |
| Clemson U. (S.C.) | July 1987 | June 1992 | 62,000,000 | 101,100,000 |
| Delaware County Community College (Pa.) | June 1992 | June 1994 | 1,500,000 | 369,000 |
| Hope College (Mich.) | Jan. 1992 | June 1994 | 50,000,000 | 34,500,000 |
| Independence School (Del.) | July 1992 | Aug. 1995 | 3,000,000 | 1,150,000 |
| Institute of American Indian Arts Museum (N.M.) | June 1992 | Dec. 1993 | 4,900,000 | 4,016,000 |
| John Carroll U. (Ohio) | June 1990 | Dec. 1995 | 40,000,000 | 19,000,000 |
| Local Initiatives Support Corporation (N.Y.) | Sept. 1992 | Jan. 1995 | 200,000,000 | 108,000,000 |
| Mount Auburn Hospital (Mass.) | Apr. 1989 | June 1992 | 10,000,000 | 10,700,000 |
| Southeast Missouri State U. | Sept. 1990 | June 1992 | 25,000,000 | 28,568,394 |
| St. Bonaventure U. (N.Y.) | Nov. 1988 | June 1992 | 25,000,000 | 25,777,913 |
| Susquehanna U. (Pa.) | March 1988 | June 1992 | 22,000,000 | 34,000,000 |
| Sweet Briar College (Va.) | Sept. 1992 | June 1994 | 35,000,000 | 25,348,426 |
| U. of Washington | June 1987 | June 1992 | 250,000,000 | 284,000,000 |
| Wake Forest U. (N.C.) | July 1989 | Dec. 1995 | 150,000,000 | 115,000,000 |
| Xavier U. (Ohio) | May 1989 | Aug. 1992 | 30,000,000 | 31,497,103 |

# Congress Passes Bill to Slash Non-Profit Postal Subsidies, Freeze Rates

By HOLLY HALL

WASHINGTON

Federal spending on non-profit postal subsidies would be slashed dramatically under a bill Congress sent to President Bush for approval last week.

Although such a move would normally result in big postage-rate increases for non-profits, the measure would prohibit the Postal Service from raising those rates throughout fiscal 1993, which began October 1.

The spending bill would provide $122-million for postal subsidies, far short of the $482-million the Postal Service said it would need to pay for delivering non-profit mail without raising rates. The Postal Service received $470-million in subsidies in fiscal 1992.

President Bush is expected to sign the legislation, which was included in a comprehensive measure to provide federal money for a broad array of programs.

Both the Senate and House of Representatives originally approved bills that would have allocated $200-million for postal subsidies. However, during negotiations to reconcile the spending bills, lawmakers cut that amount by $78-million because President Bush threatened to veto the entire measure, saying it called for too large an increase in federal spending.

Because the compromise measure prohibited an increase in non-profits rates in 1993, the Postal Service said it would later have to recover money it lost on delivering non-profit mail by increasing postal rates that apply to everybody—individuals, businesses, and non-profits. That would be good news for non-profits: If an increase is spread among all mailers, rates for non-profits would not go up as much as they would if non-profits had to bear the entire burden of making up the shortfall.

Congress passed the year-long freeze on non-profit rates to give non-profits, the Postal Service, and lawmakers a chance to come up with a way to revamp the system for providing non-profit subsidies. House and Senate members say they want to find a way to make sure that non-profits are protected from sharp increases in rates.

Even though lawmakers protected non-profits from postage increases this year, the long-range forecast for non-profit mail subsidies remains cloudy at best unless a new subsidy system is developed soon. The Postal Service has said that it will need $612.5-million to pay for non-profit mail during fiscal 1994, but Congress is not likely to provide nearly that much, both because of the federal budget deficit and because legislators have said they think the subsidy mechanism now in place needs to be replaced.

Said Neil Denton, executive director of the Alliance of Nonprofit Mailers: "The mathematics do not favor the non-profit community."

## IN BRIEF: Fund Raising

### Poll Finds Public Ill-Informed About United Way Aid

Most Americans don't have accurate information about how many charities receive financial support from the nation's 2,100 United Ways, according to a survey released last week by the Gallup Organization.

Ninety-two per cent of the respondents either said they didn't know how many charities United Way supports or overstated the amount.

The typical respondent estimated that 36 per cent of the nation's charities receive support from United Way, according to the survey conducted for National/United Service Agencies, an on-the-job fund-raising federation that competes with United Way.

In fact, only 7 per cent of the nation's non-religious charities are supported by United Ways, according to National/United Service Agencies.

Slightly more than one-third of American workers are given an opportunity to participate in on-the-job charity drives, according to the survey.

The poll's margin of error is plus or minus 3 percentage points.

For a free summary of the survey results, contact Don Sodo, National/United Service Agencies, 12701 Fair Lakes Circle, Suite 370, Fairfax, Va. 22033; (800) 458-9505.

### Easter Seal Society Ejects S.C. Affiliate

The National Easter Seal Society has severed ties with its South Carolina affiliate over a fund-raising dispute.

The South Carolina group has for years refused to hold a telethon to raise money. But in 1984 the national organization voted to require all of its affiliates to hold one. Until earlier this year, the national society had allowed the state group to ignore the rule. But in March, the national organization's board of directors gave the South Carolina group an ultimatum: Hold a telethon by August or leave the society. South Carolina did not hold a telethon, so it was ousted and was forced to change its name.

It is now known as Life Abilities–South Carolina Society for Children and Adults with Disabilities.

Officials of Life Abilities said that they believed that telethons were not a cost-effective fund-raising technique for their group and that they could find better use for the $80,000 they estimated a telethon would cost.

"We're not against telethons," said Herman Shealy, executive director of the Life Abilities group. "We're just against mandating them."

### Interest Rates for Planned Gifts

Following are the interest rates, provided by the Internal Revenue Service, for computing charitable deductions for charitable remainder trusts, gift annuities, charitable lead trusts, and some other deferred gifts.

| | |
|---|---|
| November 1991 | 8.6% |
| December | 8.6 |
| January 1992 | 8.2 |
| February | 7.6 |
| March | 8.0 |
| April | 8.4 |
| May | 8.6 |
| June | 8.4 |
| July | 8.2 |
| August | 7.8 |
| September | 7.2 |
| October | 7.0 |

**SOURCE:** PG Calc Inc.

Fundraising for the 90's

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# Three-Fourths of Non-Profit Chiefs Earn Less Than $76,000, Survey Finds

By JENNIFER MOORE

Three out of four chief executives of non-profits make less than $76,000, according to a new survey.

One-fourth of the chief executives surveyed earn less than $34,000, according to the report, which was prepared by Abbott, Langer & Associates, an Illinois consulting firm.

The survey was based on 1992 salary information from 2,128 non-profit organizations of all types and sizes, including trade and professional associations as well as charities. It found that the median salary for top executives in 1992 is $51,000, meaning that half earn more and half earn less.

Not surprisingly, the bigger the organization, the higher the pay. At the largest non-profits—those with budgets of $25-million or more—the median salary for a chief executive is $120,000, compared to just $30,000 at groups with budgets under $250,000.

Another recent study on compensation at the largest non-profits—including health and welfare groups, educational institutions, and trade associations—reported similar findings. According to a survey by the consulting firm Towers Perrin, chief executives earned a median salary of $135,000 (*The Chronicle*, September 8).

The 843-page Abbott, Langer & Associates report, "Compensation in Nonprofit Organizations, 5th Edition," also noted vastly different salaries for different types of organizations. For example, chief executives of research or scientific organizations had the highest median salary, $112,008, while those at community-development groups earn a median salary of $39,000.

### Comparisons Skewed

Steven Langer, who conducted the survey, cautioned against comparing his group's 1992 figures with those from its 1991 study, saying such comparisons would be skewed by the large increase in the number of participants—up from 1,655 groups in 1991. He added that on average, the 1992 survey also included more large organizations.

This year's report found that non-profits in Northeastern and Pacific states pay their chief executive officers the most, while incomes in the Mountain states are the lowest. Chief executives in New York City are paid the most, with a median salary of $91,734.

The survey found that chief legal officers make more than any other type of non-profit official, including chief executives. The median salary for chief legal officers is $70,551. The reason the salary is so much higher than the median for chief executives is that relatively few organizations, most of them big non-profits, employ their own legal counsel.

Median salaries for fund-raising positions include:

- $42,683 for people in charge of planned-giving programs.
- $40,530 for directors of development.
- $38,838 for fund raisers who solicit corporate or foundation grants.
- $30,382 for grant-proposal-writing managers.
- $32,361 for people who oversee annual funds.
- $27,838 for special-events managers.
- $27,800 for people in charge of conducting research on prospective donors.
- $26,554 for direct-mail or telemarketing managers.

### More Jobs Included

For the first time the report also included salary information on jobs other than those related to administration and fund raising. For example, the survey found that artistic directors' median salary is $35,178; program managers, $29,166; and caseworkers, $21,617.

Copies of the report can be ordered from Abbott, Langer & Associates, 548 First Street, Crete, Ill. 60417; (708) 672-4200. It is divided into two parts: Volume One covers professional societies and trade associations and costs $135; Volume Two covers charities and costs $150. The two-volume set can be purchased for $225.

**At the largest non-profits—those with budgets of $25-million or more—the median salary for a chief executive is $120,000.**

## 1992 Median Salaries at Non-Profits

| | |
|---|---|
| Chief legal officer | $70,551 |
| Director of government relations | 55,350 |
| Director of engineering or technical research | 54,151 |
| Chief executive officer | 51,000 |
| Chief financial officer | 48,000 |
| Publisher | 47,567 |
| Director of marketing | 43,736 |
| Planned-giving manager | 42,683 |
| Director of development | 40,530 |
| Director of management-information systems or data processing | 39,807 |
| Director of communications | 39,408 |
| Field-staff director | 39,400 |
| Director of education | 39,000 |
| Corporate- or foundation-grants manager | 38,838 |
| Director of statistics | 38,220 |
| Director of chapter relations | 36,874 |
| Controller | 36,656 |
| Curator | 36,608 |
| Director of public relations | 35,896 |
| Artistic director | 35,178 |
| Treasurer | $34,870 |
| Director of program services | 34,300 |
| Director of member or client services | 34,000 |
| Director of information | 33,100 |
| Annual-fund manager | 32,361 |
| Grant-proposal-writing manager | 30,382 |
| Program manager | 29,166 |
| Special-events fund-raising manager | 27,838 |
| Donor-research manager | 27,800 |
| Direct-mail or telemarketing manager | 26,554 |
| Senior account clerk | 23,940 |
| Secretary to the CEO | 23,563 |
| Director of volunteers | 23,000 |
| Membership- or client-records manager | 22,500 |
| Caseworker | 21,617 |
| Payroll clerk | 20,814 |
| Counselor | 19,772 |
| Secretary | 19,300 |
| Clerk-typist | 15,910 |
| File clerk | 13,742 |

## Median Compensation of Chief Executives

| By Type of Organization | |
|---|---|
| Advocacy/consumer | $45,595 |
| Aging/senior citizen | 39,656 |
| Artistic/cultural/literary | 45,000 |
| Athletic/recreational/social | 52,437 |
| Chambers of commerce/associations of commerce and industry | 28,250 |
| Charitable organizations | 49,000 |
| Civic/social service | 50,000 |
| Community development | 39,000 |
| Day care | 36,000 |
| Economic development | 52,204 |
| Education | 77,547 |
| Employment/training | 57,832 |
| Foundations | 71,000 |
| Health-related/mental health-related | 60,077 |
| Housing/shelter | 40,550 |
| Professional societies | 58,300 |
| Religious | 60,000 |
| Research/scientific/testing | 112,008 |
| Social welfare | 53,375 |
| Trade associations | 55,000 |
| United Way/Community Chests | 50,000 |
| Workshop for disabled | 55,128 |
| Youth | 44,000 |

| By Size of Organization's Budget | |
|---|---|
| Under $250,000 | $30,000 |
| $250,000-499,999 | 42,500 |
| $500,000-999,999 | 51,000 |
| $1,000,000-2,499,999 | 59,758 |
| $2,500,000-4,999,999 | 71,033 |
| $5,000,000-9,999,999 | 82,326 |
| $10,000,000-24,999,999 | 105,611 |
| $25,000,000 or more | 120,000 |

| By Region | |
|---|---|
| Northeastern states | $60,000 |
| Southern states | 52,844 |
| Midwestern states | 50,000 |
| North Central states | 42,800 |
| Southwestern states | 42,952 |
| Mountain states | 41,080 |
| Pacific states | 53,277 |

## Median Compensation of Development Directors

| By Type of Organization | |
|---|---|
| Artistic/cultural/literary | $41,000 |
| Civic/social service | 40,000 |
| Education | 50,000 |
| Foundations | 49,493 |
| Health-related/mental health-related | 38,500 |
| Housing/shelter | 31,500 |
| Professional societies | 50,100 |
| Religious | 40,000 |
| Social welfare | 38,912 |
| United Way/Community Chests | 36,000 |

| By Size of Organization's Budget | |
|---|---|
| $500,000-$999,999 | $31,000 |
| $1,000,000-2,499,999 | 37,206 |
| $2,500,000-4,999,999 | 40,500 |
| $5,000,000-9,999,999 | 40,915 |
| $10,000,000-24,999,999 | 50,107 |
| $25,000,000 or more | 64,100 |

| By Region | |
|---|---|
| Northeastern states | $45,006 |
| Southern states | 40,000 |
| Midwestern states | 40,000 |
| North Central states | 36,000 |
| Southwestern states | 38,025 |
| Pacific states | 49,750 |

**SOURCE:** Abbott, Langer & Associates

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